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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 10/23/07

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#### ARTICLES:

- (1) Poll on Fukuda cabinet, political parties, MSDF refueling

MAINICHI (Page 2) (Full)  
October 22, 2007

Questions & Answers

(T = total; P = previous; M = male; F = female)

Q: Do you support the Fukuda cabinet?

T P M F

Yes 46 (57) 39 51

No 30 (25) 37 24

Not interested 21 (16) 21 22

Q: (Only for those who answered "yes" to the above question) Why?

T P M F

Because the prime minister is from the Liberal Democratic Party 12

(13) 14 11

Because something can be expected of the prime minister's leadership

15 (12) 16 14

Because there's something stable about the prime minister 58 (58) 52

62

Because something can be expected of the prime minister's policy

measures 12 (12) 13 12

Q: (Only for those who answered "no" to the above question) Why?

T P M F

Because the prime minister is from the Liberal Democratic Party 24

(20) 24 24

Because nothing can be expected of the prime minister's leadership

16 (21) 17 14

Because there's no fresh image about the prime minister 13 (20) 13

13

Because nothing can be expected of the prime minister's policies 46

(35) 45 47

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Q: Which political party do you support?

T P M F

Liberal Democratic Party (LDP) 27 (32) 26 29

Democratic Party of Japan (DPJ or Minshuto) 27 (26) 34 21

New Komeito (NK) 5 (4) 3 7

Japanese Communist Party (JCP) 3 (2) 3 2

Social Democratic Party (SDP or Shaminto) 2 (3) 2 2

People's New Party (PNP or Kokumin Shinto) 0 (0) -- 1

New Party Nippon (NPN or Shinto Nippon) 1 (1) 1 0

Other political parties 1 (1) 1 1

None 32 (30) 29 35

Q: The government is going to create a new law in order for Japan to continue the Maritime Self-Defense Force's current refueling activities in the Indian Ocean. Do you support continuing the MSDF's refueling activities?

T P M F

Yes 48 53 44

No 43 41 44

Q: (Only for those who answered "yes" to the foregoing question) Why? Pick only one reason.

T P M F

Japan should do so as its international contribution 65 65 65

Japan should do so to prevent its US ties from worsening 18 17 19

Japan needs to participate in the war on terror 16 17 15

Q: (Only for those who answered "no" to the foregoing question) Why? Pick only one reason.

T P M F

Japan should contribute to the international community in a different way 48 41 52

It's strange to take part in a US war 37 40 34

It's unconstitutional 13 15 12

Q: The MSDF's refueling mission is said to be part of the US-led war on terror. Do you think the MSDF's refueling activities are helpful

for antiterror deterrence?

T P M F  
Yes 32 35 28  
No 61 58 63

Q: DPJ President Ichiro Ozawa has indicated that Japan would participate in the International Security Assistance Force (ISAF) in Afghanistan if his party takes the reins of government. Do you support this idea?

T P M F  
Yes 26 37 16  
No 62 55 68

(Note) Figures shown in percentage, rounded off. "0" indicates that the figure was below 0.5 PERCENT. "--" denotes that no respondents answered. "No answer" omitted. Figures in parentheses denote the results of the last survey conducted Sept. 25-26.

Polling methodology: The survey was conducted Oct. 20-21 over the

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telephone across the nation on a computer-aided random digit sampling (RDS) basis. Answers were obtained from 1,064 persons.

(2) New antiterrorism legislation gets double wallop of Moriya's Diet testimony and corrected amount of MSDF oil; Defense Ministry hit by scandal after scandal ahead of government's explanation on bill today

YOMIURI (Page 3) (Abridged slightly)  
October 23, 2007

New antiterrorism legislation has gone amiss ahead of the government's explanation on the bill in a House of Representatives plenary session today. The fate of the new legislation has become even murkier due to a series of improprieties involving the Defense Ministry, such as the questionable relationship between former Vice Defense Minister Takemasa Moriya and a defense contractor and the ministry's sloppy response to the correction of the amount of oil provided to a US oiler by the Maritime Self-Defense Force.

Another problem

Prime Minister Yasuo Fukuda in a Liberal Democratic Party executive meeting last evening ordered stricter discipline, saying, "One misfortune has followed another. Discipline must be strengthened."

It has been about six weeks since the current extraordinary Diet session opened on September 10. During that period, the Abe cabinet has been replaced by the Fukuda cabinet. The government has finally reached the point of Diet deliberations on the new antiterrorism bill. However, senior government and ruling party members look grim at this critical juncture due to the series of problems involving the Defense Ministry, including the revelation that former Vice Defense Minister Moriya has been treated to over 200 free rounds of golf and wining and dining by a former executive of Yamada Yoko Corp., a major defense contractor.

Some in the ruling and opposition camps suspect that the close relationship between Moriya and the former Yamada executive might have affected the contract for procuring the engine for the CX next-generation transport aircraft now under development by the ministry. A senior LDP lawmaker said, "There is no one in the LDP to seriously defend Moriya."

The government and ruling parties held talks in the Diet building yesterday at noon. In the session, New Komeito Upper House Diet Affairs Committee Chairman Hisashi Kazama said: "(Moriya has repeatedly acted) in a way to ruin our efforts. During Diet deliberations, the ruling parties must uncover what took place." LDP Lower House Diet Affairs Committee Chairman Tadamori Oshima echoed Kazama's view, saying, "The ruling bloc should also hurl questions at him." Thus, the government and ruling parties smoothly decided to summon Moriya to the Diet, with no one objecting.

The ruling parties initially planned to summon Moriya to the Diet as an unsworn witness. But through talks last evening between Oshima and his New Komeito counterpart Yoshio Urushibara and others, the two ruling parties decided to summon Moriya as a sworn witness. Although there was concern that the Diet deliberations would center on uncovering facts behind the suspicions, the conclusion was reached from the judgment that coming across as defending Moriya would be detrimental to the ruling bloc.

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#### Diet testimony over counterproposal

Meanwhile, the major opposition Democratic Party of Japan (Minshuto or DPJ) in the Lower House antiterrorism special committee meeting yesterday afternoon demanded four individuals, including Moriya, be summoned to the Diet as sworn witnesses. Enlivened by an array of blunders by the ruling camp, the largest opposition party in the meeting last night raised the number of witnesses to eight, including the person who was serving as vice defense minister (in February 2003).

A senior DPJ lawmaker declared last night: "We will not join committee deliberations unless a clear timetable for Diet testimony is set." DPJ President Ichiro Ozawa, in his talks yesterday with Policy Research Committee Chair Masayuki Naoshima, also confirmed the policy direction of focusing attention on Moriya's scandal and the corrected oil amount by postponing the party's plan to come up with a counterproposal this week to the government's new legislation.

In the wake of this development, the DPJ foreign affairs and defense meeting planned for Oct. 23 is expected to conduct a hearing on the MSDF oil issue and other matters instead of soliciting views for a counterproposal.

#### New legislation might not pass Lower House in early November

In the event the antiterrorism committee fails to begin substantial deliberations on the new legislation this week, the government's plan to have the legislation clear the Lower House in early November might fall through.

In the talks yesterday, the government and ruling parties confirmed the policy course to have the Lower House endorse the new legislation to send it to the Upper House. But an LDP executive explained the mood in the ruling camp this way yesterday: "There has emerged an atmosphere to adjourn the Diet session early. It might be difficult for the new legislation to pass even the Lower House."

But a ruling party executive said apprehensively: "The Diet timetable has been delayed according to the LDP's convenience. Shying away from deliberations would not help win public support, and Prime Minister Fukuda won't be able to explain anything when he visits the United States."

#### (3) MSDF's cover-up of misreported amount of fuel increasing suspicions of oil diversion

MAINICHI (Page 3) (Slightly abridged)  
October 23, 2007

The Defense Ministry admitted yesterday that a senior Maritime Self-Defense Force (MSDF) official had noticed on May 9, 2003, an error in records of MSDF refueling but had not reported it to his superior. The cover-up was undertaken immediately after an allegation of diversion of MSDF-supplied fuel for use in the Iraq war came up following a US commander announcing that his ship had been refueled by the MSDF before joining the Iraq war. At that time around, then Chief Cabinet Secretary Yasuo Fukuda and then Defense Agency Director General Shigeru Ishiba were pressed for explanations about the diversion allegation. The opposition camp suspects that

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the MSDF was involved in the cover-up. Defense Minister Ishiba plans to issue a final report later this month. Affected also by an allegation of a former vice defense minister having received favors from a defense contractor, deliberations on a bill to replace the Antiterrorism Special Measures Law have already reached a deadlock.

Government's view not credible

A report compiled by the Defense Ministry says that the misreporting of the amount of fuel was caused by a section chief of the Maritime Staff Office mistakenly having inputted the amount of fuel supplied to another warship and that the cover-up was made based on a judgment by a defense division head who had noticed the error. The report thus denies an alleged MSDF-wide cover-up.

But the mistake involving the amount of fuel cannot be dismissed simply as a numerical error. It deeply affects the navigation of the US aircraft carrier Kitty Hawk. Because then Chief Cabinet Secretary Fukuda dismissed the allegation of diversion of fuel to the Iraq war, by saying in a press conference on May 9, 2003: "The amount was approximately 200,000 gallons, an amount instantly consumed and not enough for the carrier to enter the Persian Gulf." In actuality, however, it has been confirmed that the aircraft carrier had entered the Persian Gulf after provided with 675,000 gallons of oil.

Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama takes this view: "The error was intentionally covered up with the aim of hiding the diversion of fuel for use in the Iraq war." Based on this view, Hatoyama told reporters: "To avoid the blame from being shifted to the top executive, the explanation that 'the section chief did not report it to his superior' was deliberately made up." The main opposition party is ready to strengthen its pursuit, focusing on the question of whether the entire organization was involved or not.

All sections concerned in the Defense Agency, in addition to the section of the Maritime Staff Office, were informed of the accurate amount of 800,000 gallons in February, 2003, but Chief Cabinet Secretary Fukuda said in a press conference on May 9, 2003: "The

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amount was about 200,000 gallons."

According to the report, the Defense Policy Division drew up guidelines for Diet replies in accordance with the contents of an interview by the chairman of the Joint Chiefs of Staff on May 8, the day before the chief cabinet secretary's press conference. The report does not explain why the Defense Agency did not check the amount of fuel in question.

As the reason for no report or correction made by the section chief of the Maritime Staff Office, the report notes that the controversy over the diversion allegation was calming down.

However, the allegation had come up on May 6 just before the cover-up was undertaken, set off by the commander of the Kitty Hawk engaged in the Iraq war disclosing: "The carrier was provided with about 800,000 gallons of fuel directly by the MSDF." Then Defense Agency Director General Ishiba was being pressed to give explanations in Diet replies even afterward.

The report is far from contributing to dispelling the diversion allegation. Dissatisfaction has begun smoldering in the Prime Minister's Official (Kantei). In a press conference yesterday, Vice

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Defense Minister Kohei Masuda had to repeatedly say: "A close investigation is necessary."

Diet scenario also crumbles

In a Liberal Democratic Party's executive meeting last evening, Prime Minister Fukuda grumbled: "One misfortune has followed another." The government and the ruling coalition had prepared a scenario under which they will override the difficult situation by

realizing a summons of Moriya to the Diet as a sworn witness. But with this scenario crumbling, it is becoming more difficult to have the new antiterrorism bill passed in the current Diet session.

Hit by the double whammy of Moriya's scandal and the cover-up of an error in refueling records, many government officials have voiced concern about the effect on public opinion.

Over the past several days, the DPJ intensified its offensive against the government over the Moriya scandal, setting the summoning of Moriya as the precondition for the opposition camp to sit on the table for substantial deliberations on the new antiterrorism bill. In response, Ishiba publicly said on Oct. 20 in an effort to swiftly bring about a settlement: "If the Diet decides to summon him, (Moriya) should accept." Around such a time, the cover-up scandal became an issue. A senior New Komeito member angrily said: "They are totally stupid. They might have no awareness of it being a cover-up." The dominant view in the ruling camp is that it has to accept the opposition camp's demand for summoning Moriya to the Diet as a sworn witness.

The DPJ intends to also pursue the responsibility of Prime Minister Fukuda, who was chief cabinet secretary at that time, and others. Diet Affairs Committee Chairman Kenji Yamaoka, in the belief that obtaining public support will be possible, told House of Representatives antiterrorism and Iraq support special committee chief executive Yoshio Hachiro yesterday: "In the case of summoning him as an unsworn witness, we reject it. If the ruling camp tries to forcibly carry out deliberations unilaterally, let it do that."

(4) Interview with Takashi Uesugi, journalist and author of "Collapse of the Kantei": Question - Is the Kantei broken?; Does the strong return of party politics, portend the collapse of the LDP?

TOKYO SHIMBUN (Page 6) (Full)  
October 23, 2007

It has been almost a month since Yasuo Fukuda took office as prime minister. Using his low-postured humble approach, he has been tiding over in Diet debates, given the Democratic Party of Japan's (DPJ or Minshuto) dominance in the Upper House,. Reporter Takayuki Shimizu interviewed Takashi Uesugi, author of "Collapse of the Kantei," which painted the picture of an Abe administration that had run amok.

Shimizu: The "Collapse of the Kantei" is a title suggesting that you had expected the abrupt resignation of Abe as prime minister. When did you get the idea that the Abe administration might collapse?

Uesugi: I hit on the idea of using this title around March. However,

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there had been indications from way back that the administration would collapse, as can be seen in the reinstatement of postal rebels to the Liberal Democratic Party (LDP) late last year and its

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response to a scandal involving the government's then Tax Research Commission (Chairman Masaaki Honda). Members of the "Team Abe" flocked to the Kantei in order to take credit, but once a crisis occurred they scattered like birds. Looking at this situation, I thought the administration would not last long.

Shimizu: The Fukuda cabinet was supposedly formed based on a reflection on that administration. But it inherited the lineup of the Abe cabinet. Do you think it could make the same mistake?

Uesugi: Since the Fukuda administration came into existence

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immediately following Abe's sudden resignation, he did not have time to take care of the cabinet roster, though he changed the party leadership.

Mr. Fukuda reinstated Mr. Masahiro Futahashi (deputy chief cabinet secretary during the Koizumi administration) as a deputy chief

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cabinet secretary, a post responsible for managing the bureaucracy. His appointment was a plus factor in terms of stabilizing the cabinet. Since the appointment of Mr. Futahashi as deputy chief cabinet minister would smoothen the collection of knowledge and information from the bureaucracy as a whole, the cabinet's crisis management capability has improved.

However, in terms of Japanese politics as a whole, the Fukuda cabinet gives the impression that the hands of the clock have been turned back, because during the past six years and six months during the Koizumi and Abe administrations, it was the Kantei and politics that had the lead, though not in a quite satisfactory manner. I call this the return of party politics. Since the bureaucracy and the party (LDP) have regained power, opposition from the public seems likely to arise in the future.

Shimizu: How do you analyze the past month since the Fukuda administration came into existence?

Uesugi: In contrast to the Koizumi and Abe administrations, which

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were always in high gear, the Fukuda administration appears stable. Mr. Fukuda is keeping a low posture, because if he adopts a hard-line stance with the opposition camp dominating the Upper House, his administration could not last. No matter who had become the prime minister, he would have acted in the same manner.

A scandal involving former Administrative Vice Defense Minister Takemasa Moriya has emerged at this juncture. The scandal will have an impact on Diet deliberations on the new antiterror special measures legislation. Taking a false step would prove fatal to the administration.

Shimizu: What do you think the Fukuda administration's weak point is?

Uesugi: The public has realized the briskness of politics during

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the Koizumi and Abe administrations, in particular, during the Koizumi administration.

If an administration ends in a year or so like the Morihiro Hosokawa administration, the public may give up on politics, judging, "Politics will never change." However, the Koizumi and Abe administrations lasted for six years and a half. Many people must have thought that they can do it if they try.

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Despite this emerging trend, Mr. Fukuda returned to the old-style way of administering politics. The Fukuda administration may find itself in a tight fix when it goes to the people, that is to say, in the next election.

Shimizu: When do you think a Lower House election will take place?

Uesugi: Presumably between March and May next year. Basically, it

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could be before the Lake Toya Summit in Hokkaido.

There is a possibility of the Lower House being dissolved at the outset of the regular Diet session in January next year. However, in light of the character of Mr. Fukuda, this is improbable. If that is so, when the budget bill clears the Lower House, Mr. Fukuda may have talks with the opposition camp and dissolve the Lower House under the condition that the bill is allowed to pass the Upper House. Even if the talks do not go smoothly, the Lower House will still be dissolved, because the budget could not be implemented if related bills fail to secure Diet passage due to opposition from the opposition camp.

Shimizu: Democratic Party of Japan (DPJ or Minshuto) President Ozawa said he would not respond to a Lower House dissolution, based on talks between the ruling and opposition camps.

Uesugi: If Mr. Ozawa does not give in over the budget, he would come

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under fire, because the budget issue will have an impact on people's lives. I think that dissolving the Lower House based on talks is an unavoidable option for both camps.

Shimizu: It may be premature to ask this question, but what sort of election do you expect to occur?

Uesugi: It will indeed be an election for voters to choose whether

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it will be the LDP or DPJ. The DPJ has had the image of being a childish party that has no ability to run the government. However, seeing Mr. Abe, voters had the impression that there is no difference between the LDP and the DPJ. The resignation of Mr. Abe has erased people's notion that if the LDP takes the reins of government, people can feel secure, but if the DPJ runs the government, people would feel unstable. In that sense, I would think that more people would think, 'let the DPJ try for once.'

Shimizu: "Collapse of the Kantei" again?

Uesugi: Due to the failure of the Abe administration, the LDP has

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abandoned Kantei-led politics. It has returned to LDP-led politics. Now, it is the turn for the LDP to collapse.

In order for the ruling parties to win, they would have no choice but to swallow all bills the opposition camp submitted to the Upper House. They should make the presence of opposition parties meaningless. If there is no change between ruling and opposition parties, people would think they do not mind the ruling party continue to be ruling parties. This approach would be the major attack the ruling camp can make. The ruling camp has no other choice but to ensure defeat of the enemy by taking great risk even by sustaining serious injury.

Takashi Uesugi: Born in 1968 in Fukuoka Prefecture. Graduated from Tsuru University. Freelance journalist, after serving as state-paid

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secretary to Lower House member Kunio Hatoyama, now justice minister,

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and reporter for the Tokyo Branch of the New York Times. His works include "Koizumi's Victory and the Media's Defeat," "Hate of Makiko Tanaka," "Shintaro Ishihara's Five Staff Officers."

(5) Assistant USTR Wendy Cutler in interview is cautious about Japan-US FTA, sees treatment of rice as an impediment

NIKKEI (Page 3) (Full)  
October 23, 2007

In an interview with the Nikkei, Assistant US Trade Representative (AUSTR) Wendy Cutler said that "the time is not ripe yet" for the possibility of a free trade agreement (FTA) between Japan and the United States. As her reason for being reluctant to start negotiations between the two governments on an FTA, she pointed out: "Unless there is comprehensive liberalization, there is no sense of challenge." She expressed her view that as long as Japan continues to keep its agricultural market closed, such as by making rice an exception to tariff scrapping, FTA negotiations would be difficult.

AUSTR Cutler is the US government's responsible official for trade negotiations with Japan. She is also responsible for the Republic of Korea and APEC, and in April, as the senior negotiator, she



completed FTA negotiations with South Korea.

On the subject of a Japan-US FTA, Cutler stressed: "There are great expectations from industrial circles for an early signing." On the other hand, her outlook was that: "Thinking inside Japanese government has not yet been unified." She expressed the stance of the US Government in her remarks, namely, that the impediments to starting negotiations were the lateness on the Japanese side in coordinating with affected domestic interests and the lack of leadership.

Regarding the exception given rice from the list of tariffs subject to scrapping in the US-South Korean FTA, Cutler said: "Since the situation with Japan is different, Japan and the Republic of Korea cannot be discussed on the same plane." The reason for the US agreeing to treat rice as an exception seems to have been appreciation for the ROK's steps to double imports of rice by 2014 under the minimum access formula. She stressed that an FTA with Japan "would have to have comprehensive contents without exceptions since we are the two largest economies in the world." She held fast to the basic principle that tariffs on all traded goods, including farm products, must be abolished. At the same time, she stated, "Once we start negotiating, failure is unacceptable," hinting at the strong arguments for caution in the US government.

On the issue of imports of US beef, she pointed out, "It is important that the decision on safety be based on scientific grounds." She emphasized repeatedly that the OIE, which sets safety standards for livestock, has taken a position recognizing the safety of US beef.

SCHIEFFER